

AD HOC GOVERNANCE COMMITTEE

Please see the attached minutes of the April 2, 1998, Ad Hoc Governance Committee meeting.

PROPOSED
MINUTES OF THE
TEACHERS' RETIREMENT BOARD
AD HOC GOVERNANCE COMMITTEE
OPEN SESSION
THURSDAY, APRIL 2, 1998
STATE TEACHERS' RETIREMENT SYSTEM
ROBYN D. MILLER BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

Richard Whitmore, Chairperson
Yvonne Gallegos Bodle
George Fenimore
Lillian Raffel
Emma Zink
Robin Dezember, representing Director of Finance, Craig Brown

OTHER BOARD MEMBERS PRESENT

Gary Lynes
Marty Mathiesen
Fred Buenrostro, representing State Controller, Kathleen Connell
Ted White, representing State Treasurer, Matt Fong

STAFF PRESENT

James D. Mosman, Chief Executive Officer
Chris Waddell, Chief Counsel
Elleen Okada, DCEO, Investments
Peggy Plett, DCEO, Administration
Ian Lanoff, Fiduciary Counsel
Mary Miles, Administrative Assistant

OTHERS PRESENT

Tom Iannuchi, Cortex

A quorum being present, Acting Chairperson Zink called the meeting to order at 8:07 a.m.

II. **APPROVAL OF MINUTES OF MARCH 4, 1998 MEETING**

MOTION duly made by Mr. Fenimore, seconded by Ms. Bodle, and carried to approve the Ad Hoc Governance Committee minutes of March 4, 1998.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **REPORTING OF CONTRIBUTIONS AND GIFTS**

Mr. Mosman presented a draft policy on the disclosure of contributions and gifts.

MOTION duly made by Mr. Dezember, seconded by Ms. Bodle, and carried, that the policy on Reporting of Contributions and Gifts not apply to the Governor. Ms. Raffel abstained.

Mr. Whitmore arrived at 8:15 a.m.

Discussion ensued.

MOTION duly made by Ms. Raffel, seconded by Mr. Fenimore, and carried, to recommend to the Board the following clarifications on the policy on Reporting of Contributions and Gifts. The policy will be applied to vendors as their contracts turn over or are reviewed; that FPFC rules and guidelines will be used for determining who will be required to file disclosure statements; that brokerage firms are covered; that reports would be included in the Agenda and that the Chief Executive Officer will make the information accessible to the Board; that the Board acknowledges that violations will require external reporting, and that the policy be amended to include the wording to "contributions and/or gifts".

V. **CORTEX PRESENTATION**

Mr. Iannuchi, Cortex, presented the Governance Decision-Making Structure and the Decision Matrix illustrating STRS' current decision-making structure.

MOTION duly made by Mr. Fenimore, seconded by Ms. Raffel, and carried to approve Cortex, at a cost of up to \$14,000, to conduct a benchmark study of other large public pension funds on their decision-making structure.

MOTION duly made by Mr. Fenimore, seconded by Ms. Zink, and carried to approve, in principle, Cortex's Governance Decision-Making Structure as presented.

Mr. Raffel requested that the role of the Board Chair and who is authorized to speak for the Chair be built into the process.

VI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were none.

VII. **ADJOURNMENT**

There being no further business to conduct, Chairperson Whitmore adjourned the meeting at 9:32 a.m.

James D. Mosman, Chief Executive
Officer and Secretary of the
Teachers= Retirement Board

Richard Whitmore, Chairperson